VZCZCXRO1072 PP RUEHLMC DE RUEHTU #2287 2481125 ZNR UUUUU ZZH P 051125Z SEP 06 FM AMEMBASSY TUNIS TO RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC PRIORITY INFO RUEHC/SECSTATE WASHDC PRIORITY 1761

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SIPDIS

SENSITIVE SIPDIS

STATE FOR NEA/MAG (MHARRIS), NEA/PI (SFRANCESKI), LCONNELL TREASURY FOR RBAYLAY USAID FOR PDELP USTR FOR EBRYAN NSC ADEMOPOULOS

E.O. 12958: N/A

TAGS: <u>EFIN EAID KMCA</u> <u>TS</u> SUBJECT: TUNISIA NOT INTERESTED IN MCA

REF: MCC 450

- 11. (SBU) In reponse to Embassy reminders for financial data for Millennium Challenge Account selection, the Government of Tunisia has declined to submit the required information, thereby withdrawing Tunisia from consideration for MCA funding. In a meeting with EconOff, MFA Deputy Director for the Americas, Moez Sinaoui, asked whether the selection criteria for Millennium Challenge Account selection would be the same as last year, when Tunisia fared poorly on democracy and governance indicators and was not selected. After receiving an affirmative response, Sinaoui stated that Tunisia would not be submitting the required financial data. He went on to add that the U.S. wants Tunisia to reform areas that Tunisia does not believe require reform, musing "Maybe you are wrong, or maybe we are wrong.'
- 12. (SBU) Comment: The GOT's decision to take itself out of the running for MCA funding is not surprising. Little has changed in Tunisia's governance record in the past year to merit an improvement in MCA selection indicators and as Sinaoui frankly stated, the GOT sees no need for reform in these areas. The GOT has deduced that it has preempted the embarrassment of receiving a second set of poor scores on democracy, followed by what would likely be MCA ineligibility. End Comment. BALLARD